
Medicare Skilled Nursing Facility Manual

Department of Health and
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HEADER SECTION NUMBERS

230.5 – 230.6

PAGES TO INSERT

2-39 – 2-40 (2 pp.)

PAGES TO DELETE

2-39 – 2-40 (2 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: August 6, 2001*

Section 230.5, Drugs and Biologicals, is revised to update the definition to reflect mergers and successor publications to the original sources listed in §1861(t) of the Social Security Act.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

230.4 Medical Social Services to Meet the Patient's Medically Related Social Needs.--Medical social services are those social services which contribute meaningfully to the treatment of a patient's condition. Such services include, but are not limited to: (a) assessment of the social and emotional factors related to the patient's illness, his need for care, his response to treatment, and his adjustment to care in the facility; (b) appropriate action to obtain case work services to assist in resolving problems in these areas; (c) assessment of the relationship of the patient's medical and nursing requirements his home situation, his financing resources, and the community resources available to him in making the decision regarding his discharge.

The rendering of medical social services by an SNF is optional. Even though skilled nursing facilities can participate in the Medicare program without offering such services, Medicare will continue to allow, as an element of cost, expenditures for medical social services provided by a facility or its inpatients. However, skilled nursing facilities that continue to render social services must comply with the staffing and other standards for social services presently in the regulations (Conditions of Participation: Skilled Nursing Facilities. Regulation 405.1130).

Although furnishing medical social services is not mandatory, many facilities have found that the social worker performs a valuable services both to the facility staff and the patient. The staff has often been helped by the social worker to better understand the medically related social needs of the patient. Adjustment by the patient is facilitated by the social worker who can also aid the family to avail itself of appropriate community resources.

230.5 Drugs and Biologicals.--(See also §230.6 for blood.) Drugs and biologicals for use in the facility which are ordinarily furnished by the facility for the care and treatment of inpatients are covered.

Three basic requirements must be met for a drug or biological furnished by a facility to be included as a covered SNF service. (1) The drug or biological must represent a cost to the institution in rendering services to the beneficiary. (2) The drugs or biological must meet the statutory definition. Under the statute, payment may be made for a drug or biological only where it is included, or approved for inclusion, in the latest official edition of the United States Pharmacopoeia-National Formulary (USP-NF), the United States Pharmacopoeia Drug Information (USP DI), or the American Dental Association (ADA) Guide to Dental Therapeutics, except for those drugs and biologicals unfavorably evaluated in the ADA Guide to Dental Therapeutics. Combination drugs are also included in the definition of drugs if the combination itself or all of the therapeutic ingredients of the combination are included, or approved for inclusion, in any of the above drug compendia. Drugs and biologicals are considered approved for inclusion in a compendium if approved under the established procedure by the professional organization responsible for revision of the compendium. (3) The drug or biological must be reasonable and necessary as specified in §280.1.

Such drugs and biologicals are not limited to those routinely stocked by the facility but include those obtained for the patient from an outside source such as a pharmacy in the community. Since the provision of drugs and biologicals is considered an essential part of skilled nursing care, a facility must assure their availability to inpatients in order to be found capable of furnishing the level of care required for participation in the program. When a facility secures drugs and biologicals from an outside source, their availability is assured only if the facility assumes

financial responsibility for the necessary drugs and biologicals; i.e., the supplier looks to the facility, not the patient, for payment.

A. Drugs Included in the Drug Compendia.--Coverage is provided only for those drugs and biologicals included, or approved for inclusion, in the latest official editions or revisions of the compendia listed above.

Where a drug is excluded from coverage because it is unfavorably evaluated in either the AMA Drug Evaluations or Accepted Dental Therapeutics, the exclusion applies to all uses for which the drug or biological was so unfavorably evaluated.

Drugs and biologicals are considered "approved for inclusion" in a compendium of approved under the procedure established by the professional organization responsible for revision of the compendium.

B. Drugs Not Included in the Compendia.--Drugs not included, or approved for inclusion, in the drug compendia are nevertheless covered if such drug (1) was furnished the patient during his prior hospitalization; and (2) was approved for use in the hospital by the hospital's pharmacy and drug therapeutics (or equivalent) committee; and (3) is required for the continuing treatment of the patient in the skilled nursing facility.

C. Combination Drugs.--Combination drugs are covered if the combination itself or all the therapeutic ingredients of the combination are included, or approved for inclusion, in any of the designated drug compendia. Under the limited circumstances mentioned in B above, a combination drug approved by a hospital pharmacy and drug therapeutics committee may also be covered as an extended care service.

D. Drugs for Use Outside the Facility.--Drugs and biologicals furnished by a facility to an inpatient for use outside the facility are, in general, not covered as extended care services. However, if the drug or biological is deemed medically necessary to permit or facilitate the patient's departure from the facility, and a supply is required until he can obtain a continuing supply, the drugs or biologicals would be covered as an extended care service. Drugs and biologicals furnished to outpatients of skilled nursing facilities are not covered.

230.6 Blood.--Extended care services covered under Part A include unreplaced blood (after satisfaction of the 3 pint blood deductible) and processing costs beginning with the first pint. However, blood transfusions are ordinarily performed by hospitals and not by SNF's. Thus, in the usual case, when an SNF patient needs blood, a participating hospital will provide the blood and the laboratory services and perform the transfusion for SNF. In such a case, the hospital's charge for such blood and services is a blood cost and/or blood processing cost to the SNF. (See D below for rules on distinguished between blood processing costs where blood is obtained from an outside source.) The SNF's charges to the beneficiary must be in accordance with C below. (**NOTE:** Ambulance transportation of the patient between the hospital and SNF for the purpose of obtaining a blood transfusion is covered under Part if the conditions for coverage of ambulance services are met. See §§ 262ff.)